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OBSERVATIONS

ON THE

PRESENT STATE

OF THE

EAST INDIA COMPANY.

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EAST INDIA COMPANY

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BOARD OF TRADE
OBSERVATIONS

ON THE
PRESENT STATE
OF THE
EAST INDIA COMPANY;
AND ON THE
MEASURES TO BE PURSUED
FOR
Ensuring its PERMANENCY, and augmenting
its COMMERCE.



L O N D O N,
Printed for J. Nourse, Bookseller to His MAJESTY.
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OBSEEVATIONS

ON THE

PRESENT STATE

OF THE

EAST INDIA COMPANY

AND ON THE

MEASURES FOR IMPROVING

FOR

THE EAST INDIA COMPANY
AND THE
GOVERNMENT

LONDON

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OBSERVATIONS

ON THE
PRESENT STATE
OF THE

EAST INDIA COMPANY'S AFFAIRS.

MY occupation and employment, for some years past, have given me many opportunities of enquiring into the state of India, whereby I have obtained some knowledge of those countries, that are more immediately connected with our possessions in those parts; and having turned my thoughts towards the trade, as well as the government of our territories in that part of the world; I am able to give the public some information upon these interesting subjects, which are growing every day more and more important to Great Britain.—My situation has preserved me from all Indian connections; in which respect, I am more likely to be impartial than any of those gentlemen, who have been concerned in the manage-

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ment of our affairs, either at home or abroad.—Nor have I ever meddled in the stocks; and, therefore, have no private interest in the rise or fall of dividends.—I can answer for the facts that I have advanced; but my observations are submitted to the public.—The reader will soon find that I have not been much accustomed to writing, and is not, therefore, to expect fine language, and well turned periods; but he may be assured, that the opinions are honest, and the facts are authentic, which, perhaps, may be sufficient to recommend any essay upon a subject where the public wants information more than amusement.

For these twelve or fourteen years past, a private body of merchants, belonging to a nation very far removed from the Mogul empire, have taken a principal part in the transactions of the great peninsula of India. A particular detail of the various circumstances, which first led to, and have since produced, such vast acquisitions to the East India Company, is now of no consequence; but it is of consequence to know why the nation has profited so little from them. It is therefore the intention of these sheets to point out those errors which experience has discovered in the general conduct of our affairs, that the government may, before it is too late, endeavour to turn
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the acquisitions to that great account they are so capable of.

The Company's affairs, until about the year 1750, required little more than commercial talents; the produce of our own country was carried there, sold, and returned in the manufactures of those parts; and the little spots we possessed excited no jealousies amongst the neighbouring princes.

The French, under Duplex, first opened the way to acquiring territorial possessions in India; and why they did not reap those advantages we have since done, and which they may be justly charged with having forced us into, on that coast, arose entirely from the misconduct of Duplex, who, intoxicated by pride and vanity, did, through his obstinacy, plunge his countrymen into various distresses, until they were quite undone. The success, which at first attended his measures, was owing in a great degree to our inactivity and wretched parsimony. Mr. Barnet, who had foreseen the storm that was gathering, died unfortunately at the beginning of 1746, and Madras was taken the latter end of that year.

The leaders in the direction at that time, attentive only to the commercial plan, and prejudiced against more extensive views, remained inactive until the French and Indian powers together had almost drove us

into the sea. We were roused at last by necessity; and, about the year 1751, the Company's affairs began to wear a better aspect: lord Clive had made a stand against the enemy; and soon after general Laurence returned again from Europe to take upon him the chief command; his lordship acted under the general, and assisted him in establishing the reputation of the British arms.

About the year 1755, we were almost extirpated at Bengal, by the disputes between Drake and Surajah Dowla, but were fortunately re-established by lord Clive and admiral Watson. Lord Clive went farther; he placed us on a footing all Europeans had been strangers to before; for, by virtue of his treaties and conquests, we took the lead at the Suba's court. Soon after all this was settled, lord Clive returned to England, hastened in some measure by a peremptory letter from the directors.

This increase of riches and power, joined to the intercourse we had with the natives, both at Bengal and in the Carnatic, enabled us to obtain a more immediate, and a fuller knowledge of the country, its wealth and natural advantages, the number of its inhabitants, their manners, customs, and religions; and to preserve our revenues, we found it necessary, that nothing material should be done by the princes near us, without our approbation.

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An extensive commerce is the great and capital advantage which England ought to expect from these acquisitions ; and consequently the politics of India should be principally directed to this end ; but though, perhaps, it might be wished, that the original plan of trade, upon which the Company was first constituted, had still continued upon that contracted bottom, and that they had not been from merchants erected into sovereign princes ; yet, as this great dominion is acquired, it must be maintained ; for the politics, not only of Asia, but even of Europe, are now so interwoven with the affairs of our commerce there, that it will be absolutely impossible to return back to our former situation with any hopes of profit, or indeed of security : we must preserve what we have acquired upon the principles of self-defence.

Let us relinquish our possessions whenever we will, other Europeans are in readiness to lay hold upon whatever we leave ; or, if they could possibly be restored to the princes of the country, the memory of former conquests would naturally infuse such a reasonable dread of future attacks into the minds of these princes, that they would never rest till they had totally extirpated the English out of India ; nor would treaties or engagements be of any avail with princes, who have
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no other principles of government but what spring from those powerful passions, fear and hatred, and have no idea of national faith and honour.

It was not ambition that first tempted the Company to embark in these wars: necessity led the way; and conquest has now brought them to the choice either of dominion or expulsion. To say the truth, the natives and Europeans had, by degrees, obtained so much knowledge of each other, that, sooner or later, this conflict must have happened, though it was hastened by the unruly ambition of Duplex upon the Coromandel coast, and the misconduct of Drake in Bengal. Self-preservation first awakened us, and conquest gained us the great advantages we enjoy; force only can preserve them; we must be all, or nothing; and surely it is better to die at once, than waste away by inches; much loss of men and treasure might thereby be saved to the nation.

The great endeavour of all commercial states, is to draw the productions of other countries to its own center; to work up the raw, and to re-export the manufactured goods; for wherever goods, though manufactured abroad, can be carried out again for sale, so as to produce a final balance in favour of the state, they are in a degree as

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meritorious, in the eye of trade, as if they were manufactured at home: but, in a public light, the advantages that flow from a monopoly of carriage are far superior to the dry profit of the merchant; to wit, the encrease of sailors and shipping, and the employment of multitudes; all which add strength as well as riches to the community. The act of navigation was founded upon this principle, by which this kingdom is become the greatest maritime power that ever existed.

A fair opportunity now seems to offer, that may enable this kingdom, in a few years, to center in itself almost all the trade to the East Indies, and thereby to supply the rest of Europe from the mart of London. To effect so great an undertaking, a revenue must be allotted, sufficient to maintain a strong squadron in India always ready to fit out, and three separate armies, one on the east and one on the west coast of the peninsula, and one at Bengal. It is by such steps only, that the conquests can become of any lasting or solid advantage; and that all this may be effected, I shall endeavour to shew: happy, if any of my hints may excite some abler head to digest, and bring them to perfection.

Lord Clive, when he returned home in February, 1760, left Mr. Holwel in the chair

chair at Bengal, who was superseded from Madras, in August following, by Mr. Vansittart, a gentleman of a fair and amiable character, but unacquainted with that settlement. Immediately on his arrival, the conduct of Meer Jaffier was placed in such a light, as induced him, by a fatal revolution, to place Cossim Cawn on the throne. The stain of wanton tyranny this action left behind it, will long remain upon the minds of the natives : the whole of this blameable transaction, together with the many melancholy consequences, are too well known to need repeating : matters soon came to a crisis ; one constant scene of anarchy and dissension prevailed from Cossim's ascending the throne to his flight : he fled at last, and carried with him *a vast sum in specie*.

The principal reason given to the public for deposing Meer Jaffier, was the wretched state of his finances ; but this arose from the misconduct and treachery of his ministers. That there was no real want of specie in the country, is manifest from the large sums which Cossim was enabled to collect, with such expedition, almost immediately after his advancement : and with how much ease might the Company have reformed his government, by a change of his

ministers, if they had pleased, without any disturbance or commotion.

I am clearly of opinion it was as easy to restrain Meer Jaffier as to depose him; and the country would not, in that case, (to say nothing of the other mischiefs occasioned by that revolution) have been drained of that immense sum which Cossim carried off with him upon his expulsion: yet the country was not totally exhausted even by this drain, witness the sums that have been sent out, since his flight, to Madras, Bombay, and China.

In the year 1764, Meer Jaffier was replaced in the subaship; contests, and the pursuit of private gain, continued abroad, and party ran high at home. It was at this time lord Clive again stood forth to take upon him the command at Bengal. He set off in May, 1764, and did not reach Calcutta until April, 1765. He found Meer Jaffier dead, when he arrived; he gave that Nabob's son the outward pageantry of Suba, but the power and the revenues he took charge of for the company; he allotted out of them a certain stipend for the nominal Suba, and for the Mogul, the tribute these provinces used to remit to Delhi, when the empire was properly settled; the remainder of the revenues was brought into the treasury of Calcutta.

The subahship of Bengal takes in a large extent of country, the greatest part of which is under the Suba's immediate direction; the remainder is under the management of Nabobs, Rajahs, or Polygars, who are to pay certain annual tributes to the Suba, and some of them are likewise to bring into the field a certain number of troops whenever they are required, the management of the lands within their respective governments being left entirely to themselves to farm and to collect. The distracted state the empire had long been in, had led the Suba to neglect paying the tribute due to the throne of Delhi; and the enfeebled state of Shaw Allum made him incapable of enforcing his right; but since we have had possession, that usual tribute has been regularly paid.

The whole revenue above mentioned, including the tribute payable to the Great Mogul, amounts to the sum of near three millions four hundred thousand pounds; to which may be added the duties collected on the foreign trade at the port of Calcutta, about twenty thousand pounds. Besides all this, the Company are in the receipts of a considerable sum for the duties upon salt, beetel, and tobacco. This brought in, while the monopoly of those articles took place, about one hundred and twenty thousand

and pounds a year, but, since that was abolished, is reduced to one hundred thousand pounds, or under. The whole of this revenue may be fairly set at three millions five hundred thousand pounds, out of which the * tribute to the Mogul, the allotment to the Nabob, the expence of collecting the revenue, and the civil and military charges of government at Bengal, altogether amount to about two millions, though I am pretty sure it is not quite so much, and consequently there ought to remain the sum of one million five hundred thousand pounds, neat income, in the hands of the Company, to be applied for the purchase of the home investments, or for any emergencies that might accidentally arise. The province of Orixa, which properly belongs to the Suba of Bengal, is now in the hands of Morattahs: it yields a revenue of about one hundred and thirty thousand pounds. This province might be easily recovered; and it is well defended by hills that bound it to the S. W.

* The tribute to the Mogul,	— — —	£.
The Nabob, for his court, 18 lacks, charge	}	330,000
of collecting the revenue, 35 lacks,		670,000
The civil and military expences, with	}	1,000,000
the amount of stores of different		
kinds, about — — —		2,000,000

The present establishment of the forces at Bengal is fixed at three thousand Europeans, and near * twenty thousand Seipoys or country infantry; all of whom are regularly disciplined, and formed into battalions, and are commanded by European officers; this force is reckoned sufficient to defend the provinces against all invasions.

† The prince is the lord proprietor of the lands, his will is under no controul; nevertheless, the mode of farming out the lands continues amongst the Morattahs, and all the Gentoos, in much the same state it was in before the Moors got possession of the empire.

The lands are under the direction either of officers superintending for the Mogul, or princes who, collecting for themselves, pay annual tributes to the empire; and no lands are exempted from paying a proportion to the crown, but those belonging to pagodas, mosques, or enjoying some other privileges. These lands amongst the Morattahs, are granted to the occupiers for a term of years, or for life, which last method mostly prevails; and provided

* This number does not include the Seipoys employed by the revenue officers.

† Princes holding large tracts of country, have other princes under them, in like manner as they hold under the Mogul.

no charge lays against them for embezzlement, or neglect of tillage, there is scarcely an instance of the lands being taken from the families of the first occupiers. The same maxims prevail with respect to the Rajahs and great officers, who were always permitted to hold by descent, and were scarce ever displaced, except for misgovernment or rebellion.

* The lands pay according to their produce; this is taken by collectors for the prince, who calling in men conversant in husbandry, do, by their judgment, set the value of the prince's share while the crop is on the ground; the value, so settled, is what the occupier is to pay, and this is transmitted, by the several collectors, to the treasurer or Duan, who is commonly the first minister of the prince. The grain usually pays one half of its produce, coëoa-nut and beetel-nut trees two-thirds, fruit trees, and those converted into wood and timber one-third; buffaloes pay one rupee each (or half-a-crown), draft oxen not so much, a-year; and so every other article in proportion, that is produced by, or nourished from the earth.

The prince's revenue is neat and clear of all deduction, except the fees to the

* Most of the lands in the southern parts of the empire yield double crops.

Duan,

Duan, for himself and his collectors, which are fixed, and publicly known; what remains over and above the produce due to the prince, belongs to the occupier of the lands; and this is found, by experience, when he is permitted to enjoy it, to be an ample reward to him for his labour and expence.

This mode of collection has an appearance of the strictest justice, and is founded on principles of equity, but is obviously liable to be corrupted in practice, because it leaves a large field for knavery and extortion. The occupier of the land is in no wise on an equal footing with the collector; and the inferior classes of men are kept in such vast subordination, in those oppressive governments, that fear prevents their complaints; the justest are often construed into murmurs and discontents, and punished, probably, with the severest chastisements; for what can those poor wretches do, or what redress can they hope to find, when their judges have, perhaps, shared the plunder with those very * oppressors they come to complain against.

* Seeking redress from the Zemindars or Patels, in their judicial capacity, who are in league with, or act under the farmers and collectors in gathering in the revenues.

The Moors, in the countries under their immediate government, have made some alteration in the mode of collecting the revenue, but not at all calculated to secure the occupier of the land from oppression. The princes, to be at the greater certainty, portioned out the lands in their several provinces, into considerable divisions, which were severally farmed, or let on lease for the amount of the government's share to the best bidder, which share comprised in it also the avowed fees for the officers of the revenue; this sum the farmer of the revenue, for each division or portion of lands, paid into the Suba or prince's treasury he belonged to.

Whatever remained, after this share so paid in, ought to have been the occupier's reward for his labour and expence. This is the custom of the country, and the occupier would be happy, if the farmer of the revenue executed his office with any degree of equitable mercy; but the power of squeezing, which the farmer is intrusted with, for the purpose of collecting the lawful revenue, renders him so absolute, that he extorts almost what he pleases from the poor occupier. Every man who aims at this employment, must pave the way to his appointment, by great presents to the Nabob or his treasurer, which must

be often repeated, if he means to continue in his office. He that makes the largest present, is sure to be preferred among the bidders; for, indeed, no person dares to bid against the man who is known to be favoured by the Duan. These presents to the great men, as well as the farmer's own profit, must be paid out of the occupier's residue; and thus, as extortion knows not where to stop, the miserable occupier is at last driven from his land—the revenue falls short, and the poor wretch, who is beggared by the avarice of his superiors, is frequently made the victim of the deficiency, as if it was owing to his want of industry, and not to the rapacity of the farmers, and the great ministers of the prince.

This being the nature, and these the methods of collecting the revenue, the poor subject has in all times been oppressed by Duans, farmers, and collectors.—These ways to wealth are easy and expeditious; to which, if you add the practice of making presents (which is an established custom in India) the great men and ministers grow rich in an instant; but as these were always in danger of being plundered again by their sovereign, the dread, together with the fear of punishment, taught some to be more moderate; and those who were directed,
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either by prudence or justice, treated the natives with some degree of gentleness; and so the country continued in a tolerable state of prosperity, even under the rapacity of absolute government. When this revenue came under the management of the Company, lord Clive continued the same mode of collecting, and the nominal Duan, farmers, and collectors were still Moors or natives, and they still bore the title of ministers and servants to the nominal Nabob, but were under the inspection and controul of the Board.

The treasurer or Duan, appointed by lord Clive, was Mahomed Reza Caun; it was left to him to nominate, and to preside over the several collectors and farmers of the revenue; and as they brought in the money, he delivered it to a gentleman, a member of the Board of Calcutta, who transmitted the amount to the Company's treasury. This gentleman was fixed at the Durbar, to superintend Mahomed Reza Caun, and to transact the business of Cozambazar, where the silk investments are mostly made; and to be watchful, at the same time, of any intrigues carried on amongst the great officers about the person of the nominal Suba.

Gentlemen were likewise fixed in the country, to superintend the revenues of those

those lands first ceded to us, and which are more particularly called the Company's Lands. The same mode of collecting was still continued, with this difference only, that the farmers of the revenue were appointed from year to year, whereas they had generally been for a term of years: this was intended to prevent making improper bargains, but it only drove the farmers to the necessity of annually repeating their presents to Mahomed Raza Caun, who, with the Durbar resident, directed the several portions of the lands to be publicly put up, and granted to the best bidder; the management and intrigues of the officers struck them down always to him, who privately made the largest present to the Duan, nor could the European gentlemen prevent it; so that the occupier of the lands has not only to raise the proportion due to the crown, but to furnish as much more as is necessary for the emolument, as well as the reimbursement, of the farmer, who must extort for the Duan, as well as for themselves. If the occupiers complained of the oppression, and the European gentlemen interfered, they were deterred by the assurances of the collectors, that their complaints were unreasonable, and that it would be impossible for them to collect the revenues, if lenity was

was exercised; as it was a general maxim with them to murmur, and, if possible, to evade their rent.—The occupier incapable, from this cruel treatment, of supporting his family and the expence of tillage, is obliged either to till the lands in a very negligent manner, or to relinquish them entirely, and seek subsistence elsewhere.

Mahomed Raza Caun, his officers, and the farmers, who at this time manage the revenue, center with themselves, not only the extortion just mentioned, but besides all this, those thirty-five lack, which are taken from the revenue for the charge of collecting, are intrusted in the disposal of Mahomed Raza Caun: he is very rich, and would have been much richer, but for his great liberality to his friends.

These are the true causes of the instability of this revenue, which must always fall short to the Company, so long as the occupiers are thus drained by a tribe of Duans and officers of the revenue.—This practice is, in truth, an embezzlement of the revenue itself; for there is little or no difference between plundering the treasury, after the money is collected, and taking from the fund out of which it is to arise; the deficiency to the public is the same in both cases.

But besides these practices, which had always prevailed in this country to some degree, our countrymen struck out a new method of acquiring immense sums by trade, as they call it, and by drawing to themselves the most destructive monopoly, that ever was invented.—For the great power and influence we acquired throughout the provinces belonging to Bengal, opened a new scene of traffic with the interior parts of the country, which our former weakness had always rendered us incapable of undertaking. This trade consisted mostly in salt, beetel, and tobacco; the two last are, as much as the first, reckoned by the Indians amongst the necessaries of life.—This trade was begun by us under Meer Jaffier; all ranks of men run into it, tempted by the great profits these articles always yielded, which must be the case when goods are carried to great distances, are very bulky, and invest but little money.—And these advantages were greatly increased to the European gentlemen, as they evaded the heavy customs, and at last demanded the privilege of trading free from every restraint; very considerable fortunes were made by this trade.

Necessity did for some time oblige the Subas to yield to this unjustifiable proceeding;

ing ; but at last Coffin, thinking himself securely seated on the throne, loudly exclaimed against these irregularities, and remonstrated to Mr. Vansittart, that very fatal consequences, highly injurious to the state, would arise, if a proper restraint was not laid on those gentlemen who pushed on this trade in so unprecedented a manner. Coffin complained that these licentious measures deprived him of a considerable part of his revenue ; that his own subjects, who had usually paid twenty-five *per cent.* on those articles, could no longer trade upon an equal footing ; that the English gentlemen, who had hitherto only paid two and a half *per cent.* now refused paying any duty at all.—It must be remembered, Mr. Vansittart endeavoured to bring this under a proper regulation, for the benefit of all parties, by fixing it at nine *per cent.* but unfortunately he was over-ruled.—The vast profits this trade yielded, drew every body into it.—Free merchants and mariners crowded without number to India ; and embarking with the Company's servants, who remained fixed always to one spot, undertook the management of it, and shared the profits—the whole passing under the dustucks, or privileges of the Company's servants. Such of the natives as were mercantile servants

wants to the English gentlemen, gained very considerably, and paid great sums of money for the privileges they obtained through their masters; whilst the real merchant of the country, labouring under the tax of heavy duties, and oppressed by the brokers and managers for the Europeans, were forced to give up a trade, they could no longer carry on upon an equal footing.

When lord Clive arrived the second time, and took the revenues from the Suba, his lordship, together with his council, formed the extensive trade carried on throughout the provinces for salt, beetel, and tobacco, into a monopoly, under the management of a company, equally shutting out both natives and foreigners.

To make room for this monopoly, the Board called down all the Europeans dispersed about the provinces, and forbid any going up, without their previous licence. This seemed necessary, and calculated to answer a wise purpose; for, when his lordship arrived, the unsettled state of the government had led numbers to take advantage of it; who, spreading themselves throughout the provinces, were eagerly pursuing trade wherever they went.

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But unfortunately the means adopted for correcting this abuse, only introduced a worse; for the * monopoly that followed,

* I cannot believe the gentlemen who planned the monopoly, foresaw the extent of its pernicious consequences. The plan was, first, an exclusive company to carry on the trade in salt, beetel, and tobacco, consisting of all who may be deemed justly entitled to a share; a proper fund to be raised for its support by loan at interest. All salt, beetel, and tobacco produced in, or imported into Bengal, to be purchased by the society, and all other persons excluded. The nabob to be applied to, to issue such prohibition throughout the districts, where those articles are manufactured or produced. The articles to be purchased on the most moderate terms by contract.—The above articles, purchased by the society, to be transported to certain places, and there disposed of by their agents. The purchasers to have liberty of again transporting them whither they please.—The East India Company to be considered as proprietors, or receive an annual duty on it, as may appear most to their interest, when considered with their other interests and demands on this presidency.—The Nabob to be considered as may be judged most proper, either as a proprietor, or by an annual allowance, to be computed on inspecting a statement of his duties on salt in former years.—It being determined in what manner the Company and Nabob shall be considered, the remainder to be divided amongst the Company's servants, according to their different classes.—A committee of trade to be appointed to carry this plan into execution.—The Company having obtained the grant of the Duanne, since the last consultation, the article relative to the Nabob was declared of non-effect.—The Company, therefore, to be considered as superiors, and not to share with the society, but to receive the following duties, 35 per cent. on salt, 10 ditto on beetel-nut, 25 ditto on tobacco.

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became ten times more pernicious than the open trade had been ; for now the provinces were slowly supplied with the necessaries of life, and the prices were greatly increased.

The salt brought from foreign markets, or made in the most distant parts of the provinces, could only be sold to the agents of this select company ; all the beetel-nut and tobacco was sold in like manner. Every person trading in any of these articles, was obliged to purchase their entire stock from the company. This restraint had so bad an effect, that the prices to the consumer were enormously enhanced. To instance in the article of salt only, the same quantity that was sold, before this monopoly, and well sold, for eighty rupees, sold after the combination at the increased price of two hundred.—The method of carrying on this trade was curious. The Company at home were entitled to receive a duty of thirty-five per cent. upon this commodity *ad valorem* ; the company abroad (for so I must have leave to call the monopolists) set the price at the salt-pans upon the manufacture as low as they thought fit, and paid the duty upon the price so settled. Thus having obtained the property, they sold the same at their own advanced price to others, who were

were to retail it in the country. By this management salt, an article so universally necessary, and which before the duty was paid, was the cheapest drug in India, became immediately after that payment the dearest.

The inevitable consequence of such a proceeding, is that the manufactures must be enhanced to repay the consumer, and that the Company's interest must be sacrificed for the advantage of a few individuals, who would, by these means, divide a premium amongst themselves of one hundred per cent. beyond a reasonable profit, on the necessaries of life; which, from the amazing consumption on each of those articles, must amount to a very large sum of money.

Whilst the Europeans, before this monopoly, traded on better terms than the natives, by evading the duties, it was the revenue only that suffered, and the natives were excluded, by being under-sold. For if in that case the European merchant had raised his price upon the consumer beyond its value, together with the amount of the duty; the natives would have resumed the trade, by which means the price of those articles could never be advanced to a pitch that would raise the manufactures.—Whereas the monopoly had

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the most pernicious, ruinous effect; it was calculated to injure the occupier of the land, to affect the security of the revenue, and to enhance the prices of all the goods made throughout the provinces.

It is easy to judge how all the manufactures must rise, when the necessaries of life became so dear! to say nothing of the desertion of the people, many chusing to leave a country, where the wages of labour fell so short of the expence of subsistence.

Here, however, the directors must be acquitted, for they never approved of it; and, in less than two years from its establishment, ordered it to be dissolved, and renewed some former acts, totally forbidding the English to trade in any of these articles. Here the affair ended; but as no proper measures were taken to encourage the freedom of this trade, amongst the real merchants of the country, though the monopoly is at home abolished, the Europeans may, to this hour, have a principal share in the trade, through the means of their black agents, if they chuse it, and can at any time throw difficulties in the merchant's way, when he attempts to trade for himself.—While the servants abroad were ruining their masters, by these pernicious practices, the directors were distressing

treffing the Company by injudicious measures at home; for when this great stream of riches flowed into our treasury, they thought themselves in possession of an inexhaustible source of wealth——at least their conduct gave room for the supposition; for money was lavishly sent away in specie every year to * Bombay, Madrafs, and China, until the source was almost dried up.—This the Company could not have afforded, if the country could have borne it; for after near two millions are deducted for the necessary disbursements of the settlement, and seven or eight hundred thousand pounds are appropriated for the home investments, the remainder will be found very inadequate to supply China, Bombay, and Madrafs, together with the expences of the fortifications, far from being completed, though continually raising, together with a necessary surplus, which should be always laid by to answer the deficiency of bad years. The greatest part of this money is gone for ever; and there is a loss of six or eight per cent. upon the cash carried to China, between the ster-

* Bombay took away five or six † lacks every year. — Madrafs and China in four or five years, took away near a million and a half.

† A lack of rupees is 100,000 rupees, or about 12,500 l. a crore is 100 lack.

ling currency at Bengal and the value at Canton.

These considerations, together with the injury sustained by the country from the loss of that wealth carried away by Cossim, which will never come back, should naturally have suggested some mode how to supply the provinces with specie. Instead of that, the drains continued, and the scarcity was increased. The great increase of trade that naturally followed the great increase of our riches and power, required a quick circulation, and a large increase of money, to answer the additional demands, which will always rise, in proportion as trade and manufactures are extended. The want of specie will produce a stagnation of trade, especially in a country where no faith rests on paper credit. Drains and oppressions like these no country can bear.

The natives can have no inducements to bring forth those treasures fear led them to hide whilst under their own Subas, if they are equally torn from them under us, and the means of subsistence rendered dearer. Thus, whilst the gentlemen at home were so loudly exclaiming against the conduct of their servants abroad, instead of searching the disease to the bottom, the better to apply the remedy, they were pursuing measures equally destructive to the Company's interest

est, by sending money out of the country never to return: nay, at one time, as I have been credibly informed, it was a matter of debate, whether some of it should not be brought to Europe; but an exhausted treasury soon determined that point. How merchants could ever think of committing so gross an error is astonishing! It was the like false policy that made the directors stop the remittance through their cash from Bengal and elsewhere, in order to prevent an increase of the demands upon them in England. On this refusal, the private fortunes, to a very large amount, went home through foreign bills; and, by this means, both French and Dutch went to market upon the same terms with the Company; and when the revenues fell off, or came in but slowly, on better terms, by being before us in their advancements for goods, at the aurons, or markets, where they are manufactured.

If the Company had received the private fortunes into the several treasuries in India, it would doubtless have protracted the payment of the simple contract-debts, and the reduction of any of the bond-debts; but then those debts would have been only laying at an interest of either three, four, or five percent. whilst their money abroad would have been gaining an interest of eight or nine per cent.:

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besides, another advantage would have resulted from it; foreigners must either have brought silver to India, or have come to the mart of London.

As I have taken notice of the Company's debts, I cannot help lamenting, that the parliament should have been induced to join with the Company in sharing between them eight hundred thousand pounds a year, before any of these debts were discharged, or any funds securely established for their payment; because it looks rather too much like a bargain, both parties giving each other a consideration for dividing the money that should have gone to the creditors. It would have been more for the interest of the Company, and the public too, to have restrained the dividend altogether till the debts had been discharged.

But to return; I doubt not, but the natives will endeavour to * hide all the money they can from the various oppressions they groan under, whilst they see it passing so fast out of the country, and so thoroughly experience the distress arising to the country in general from such a drain.

All that supply we used to bring annually into Bengal, is entirely stopt; and our ill-

* Amongst the Gentoos, it is a general maxim, to hide one third, to invest a third in jewels, and keep the other for use and trade.

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judged conduct has saved foreigners the trouble of carrying specie thither. Where are the sums required for the exigencies of trade to be found, for the farmer to pay his rent with, for the merchant and manufacturer to carry on trade through all its various branches, and to answer all the great disbursements the company have continually to make throughout that extensive settlement?

When we consider the advantages that formerly used to arise, in a course of years, to the gentlemen residing at Calcutta, and the subordinate factories, from a trade fettered by the natives with various embarrassments, and circumscribed as to articles; when we reflect how much the trade has been extended in all the former articles, and none of the valuable ones now exempted; when we reflect, that the chiefs of Patna and Decca are under no controul from the natives; when we recollect the great profits arising to the districts of Chittagon and Luckapore from a most extensive trade in beetel-nut and tobacco; when we consider the advantages the residents at Midnapore, at Birdwan, and Malda enjoy; and when we reflect, that the natives, unless through our assistance, or that of our mercantile servants, trade to infinite disadvantage,

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vantage, and that the whole will naturally center where the several chiefs and principals above enumerated think proper ; when we review the number of free merchants, who, until the year 1766, ranged uncontrouled about the inland parts, many of whom have acquired genteel fortunes ; we shall be able to account for some part of that wealth, which has, of late years, been the subject of so much discourse.

When we take a review of the great power given to the Durbar resident, to superintend the conduct of the Duan ; and that the silk investments center in the chief of Cassambazar ; that the unfortunate Shaw Allum, the Duan, and all the different princes, were over-awed by the power of the governor, and were surrounded by generals, who were ready to unsheath the sword upon the least disturbance ; when we add to these accounts the contracts for the different branches of fortifications and other public buildings, for the victualling armies, and for the supply of the different exigencies of so great a state ; we cannot long be at a loss to account for all those various fortunes, from twenty thousand up to two hundred thousand pounds, brought home within these fourteen years past, the greatest part of which have been acquired within short spaces of time.

It

It cannot be imagined, men will serve through such various hazards as they are exposed to in India, and at such a distance from their native country, without the prospect of some considerable reward, especially surrounded as they are on every side with wealth. This no reasonable or prudent man can expect. Fortunes should by all means be attainable ; but neither so rapidly, nor with so much ease, as of late years : they should be acquired by fair and open traffic, by the legal ample emoluments to be annexed to the higher offices, and to great trusts ; not by the servile mode of presents, and by vile monopolies.

In taking a review of the Company's great acquisitions at Bengal, we find an army, with the revenue to support it, without any assistance from England ; we have seen success, for many years past, attend it wherever it went forth ; and we know that force to be sufficient for the defence of our possessions, and such as no European powers can stand against : we find the Nabob of Oude, our most dangerous enemy about Bengal, brought within bounds ; and the king freed from his fetters.

The confusion and distress the country had been exposed to required care and indulgence to recover it : instead of that, the same arbitrary modes have prevailed ; luxury and indolence

lence have increased to an astonishing height, and pervaded every rank of men ; the crown-rents have been collected with the same rapacity as they were under the Subas ; the same extortion has prevailed, and the same cruelties were committed, that had been practised under the former despotism ; great complaints have arose of the difficulty of collecting, and clamours of the scarcity of money ; but, nevertheless, individuals made large and rapid fortunes ; the money brought into the treasury has been locked up, or was else sent out of the country ; the necessaries of life have been too much engrossed ; foreigners have had the use of the private property ; and every measure has been directly opposite to the real interest of the country.

All our distresses are comprised within those three heads : the injudicious mode of collecting the revenues ; enhancing the prices on the necessaries of life ; and sending away the money, never to return.

In India, as in all other despotic governments, mankind are bridled only by fear : this leads men to hide or dissipate their money as fast as they acquire it ; both are equally injurious to trade. Many of the natives of India had gained some general knowledge of the principles of our constitution : they knew, that it adopted an

inherent right in every individual to whatever he possessed, either from succession or industry; and that certain fixed and immutable laws were the guardians and security of that right, and the barrier against the caprice and passions of those who governed. From this consideration, I know, the natives, especially the industrious part, were very desirous of our influence prevailing; because, from their ideas of our government, they depended on accumulating wealth with safety. But, alas, how greatly have they been deceived!

The first step that ought to have been taken, was to have secured to the inhabitants the necessaries of life, over all the provinces, on the most beneficial terms, by leaving them open to all the natives, under every possible encouragement; carefully guarding against every private embarrassment that might be thrown in their way, and fixing the duties in the most equitable and reasonable manner; they would then have yielded the Company a very handsome revenue, and the inhabitants would have bought them at an easier rate, than they ever did before. The crown-rents, arising from the lands, ought to have been collected with care and tenderness; every assistance should have been given the occupiers; every man's quota, according to the goodness and quantity

tity of his ground, declared in the most public manner; and every measure carefully taken, to prevent indolence and inattention on the part of the Europeans, and rapacity on that of the Indian collectors. That this was ever properly done, I deny.

The real dues of the crown were easily obtained from the public books. If the occupier of the land had once been taught, that, upon paying his proper quota, the remainder should have been secure from the hand of any invader whatever, the farmers of the revenues would have been needless, the number of collectors might have been reduced, and the rest restrained from all those oppressions, which their power tempted them to inflict, from the security they enjoyed, by keeping the occupiers poor, and bribing those above them. If the occupier had been released from every burden but what he owed his prince, the remainder would have been so full a reward, that he would have been very careful not to have risked the loss of his lands by evading his rent. Mankind are seldom wanting in a knowledge of their real interest; and whenever it is blended with our own, we may be satisfied our own will never be neglected. Instead of sending a single rupee out of the provinces, care should be taken to encourage the Gulph and Manilla trades, the only

remaining sources for specie, when the Company ceased to send silver from Europe: neither of these were ever thought of, as worthy public consideration. I dare maintain, that had the revenues been collected with a proper attention to the lasting interest of the country; if every possible encouragement had been given to the trade of salt, beetel, and tobacco; if no silver had been sent out of the country, but circulated for the benefit of the manufactures and tillage; we should have been much nearer those great national advantages so reasonably expected, and at first so lavishly promised.

The measures hitherto pursued have only tended to thin the country, by driving the natives, through distress, to seek subsistence elsewhere; to reduce the revenues; to encrease the price of the manufactures; and to make us feared, hated, and despised: the two last will remain, the first will vanish as our internal strength decays; and which, I am afraid, it is doing very fast.

P A R T II.

*Considerations on the State of the Coromandel
and Malabar Coasts.*

THE wars carried on in the Carnatic, for the space of ten or eleven years, from 1751 to 1762, will ever reflect honour on the conductors in behalf of Great Britain. The Carnatic was, by their means, restored to peace, plenty, and commerce. The Nabob, rid of all his enemies, saw himself in the full possession of one of the finest countries in the peninsula; and in condition speedily to reimburse the Company for all the expences of the war and the risk they had run together. Our troops, that guarded his frontiers and the passes into the Carnatic, not only placed him in security from his natural enemies, the Nizam and Hyder Ally, but kept him likewise in a proper state of dependence upon the Company.

In this situation lord Pigot left the Carnatic in 1763, and retired from the government, after having, for the space of nine
years,

years, struggled with, and surmounted dangers and distresses, that had almost overwhelmed the settlement. His lordship's conduct will always do honour to his character. The Carnatic reaches from Masulapatnam down to Tanjour, taking in an extent of near three hundred miles along the coast, and no where more than about ninety or one hundred miles in breadth: it is bounded to the northward by the Nizam's dominions, to some part of which it is open; to the westward it is separated from the Decan and Misour countries by one continued ridge of mountains, over which are some few passes or * gotts, difficult to force; to the south it joins Madura and the Tanjour country, and on this side can only be entered by the plains of Trichanopoly. This whole country is very fertile, and abounds with manufactures, on which account it is the most beneficial province for our trade, as it affords a very large quantity of white cloths, great part of which, after they are stained in England, are exported to a very considerable amount. Our own proper settlement consists in a small tract of country about Madras, and a further cession at Masulapatnam and Nisampatnam; these,

* Two or three of these defiles are in the possession of Hyder Ally, restored to him by the last treaty.

together with the five northern circars or provinces, extending from a little above Masulapatnam up to Orixá, ought to yield the Company, in a settled flourishing state, a revenue of near seven hundred thousand pounds a year. Our expence, on that coast, amounts annually to about two hundred and fifty thousand pounds; so that a considerable surplus ought to lay in the treasury of Madrás, for trade and other demands. The military establishment of Fort St. George consists of three thousand Europeans, and about fourteen thousand black infantry, disciplined on the same plan as those at Bengal. Great part of the troops being employed for the defence of the Carnatic, they are paid by the * Nabob, whose frontiers are garrisoned every way by our troops. Nizam Ally styles himself Suba of the Decan, but retains none of that power his father, Nizam Al-Muluch, enjoyed. The dominions he left his posterity reached almost from sea to sea; but, since the cession of the five northern circars to us, in 1766, they are now wholly inland, and reduced every way. These five circars are bounded, from forty to sixty miles distance from the sea-coast, with a ridge of mountains, inhabited by several little bands of rovers, who are

* He has lately been induced to dispute this point with us.

commanded by chiefs called † Polygars, whom the weakness of the government has made insolent. These robbers plundered the low lands with impunity; by which means the Suba reaped but little benefit from them. Lord Clive first recommended them to the attention of the Madras presidency, as necessary to command a communication with Bengal. They end, to the northward, about Ganjam, and there the hills fall back a little into the country, winding something from the sea-coast.

The Nizam is governed entirely by his ministers, and is quite incapable of commanding any of those large tributes which the Suba of the Decan has a right to collect. He is not in the least to be feared, but as he may form junctions with any of the more active powers.

The west side of the peninsula, distinguished by the general name of the Malabar coast, extends from Cambay down to Cape Comorine. Along this coast, our intercourse with the natives is very trifling, especially at any distance within the land; where we are nearly in the same situation, as when we first settled upon that coast, excepting that we are now entitled, by the Mogul's grant, to an authority about Surat, which may

† Polygars are the under tributary rajahs.

be turned to very beneficial account under proper management.

As this side is but little known, not having hitherto engaged the public attention, I shall be fuller, and more particular, in the account I shall give of it, because I think it capable of affording very great advantages, in point of revenue, of force, and of trade. The two first, independent of the last, are now requisite for the security of our possessions on the other side, by preserving the balance of power, and the general tranquillity of the peninsula.

Bombay, which is a small barren island, dependent on the continent for support, is the only place we have near Surat, and is our head settlement on that side : it contains near three hundred thousand inhabitants. This island forms a very fine harbour, with a dock in it fit to receive a seventy-four-gun ship, and is capable of much improvement. Close adjoining to it lays Salset, a very fine fertile island, and of a large extent. To the northward of Salset, separated by a small river, lays another large island called Basseen. They both belong to the Morattahs, as doth the continent for a long extent to the northward and southward of Bombay. Surat is the principal settlement to the northward, laying about one hundred and fifty miles from it. The Company have

residents, though no settlement, further still to the north, at Scindy and Cambay, which, in a commercial light, are worthy of more attention than has hitherto been paid to them. † Surat has been, for ages, one of the greatest marts in India: it is so commodiously situated for the Gulph of Persia and the Red Sea, that some of the greatest merchants of the East reside there: they are chiefly Moors, with some wealthy Armenians mixed amongst them. What has greatly contributed to increase its wealth and consequence is its being looked upon by the Moors, throughout the empire, as the gate to Mecca.

This part of the country was never properly subdued, until the time of Aurenzeb; as Surat is the place to which all the Moors of India resort in their way to Mecca, it became of great consequence to them; the Mogul therefore established such an authority there, as might secure and protect the pilgrims from any insult or hindrance the Gentoos, who possess most of the country round it, might be tempted to molest them

† Surat lies about twenty miles within the mouth of the river Tappi, which reaches to Brampour, two hundred miles within land, but is not navigable more than ten miles above Surat. The roads from Surat to Cambay are very good, quite into the heart of Indostan, and cross the Decan.

with. The town, and district belonging to it, was left under the government of a Nabob, or chief magistrate, who presided over the internal police of the inhabitants, and distributed justice amongst them in the usual form; but the Mogul, for greater security, built a castle to command the town, and established a fleet for the protection of the trade of the port, and to scour the coast; for the trade along the coast, and off the mouth of the river, is often molested by roving pirates, who abound in those parts, being tempted to this way of life by the fineness of the weather, and the number of convenient retreats along the coast. The person appointed to the command by the Mogul was both governor of the castle and admiral of the fleet. This force was maintained by certain districts near Surat, together with a part of the town and port revenue. At present, only a very small part of this revenue is collected for the purposes above mentioned, whereof one third only is received by the castle, the Nabob of the town has another third, and the remaining third goes to the Morattahs, who also hold the greatest part of the lands that formerly belonged to the castle and town. As the empire became rent in pieces by factions, the authority of the governor gradually declined, and the neighbouring princes, no longer

longer awed by his enfeebled master, seized on the lands appropriated for the support of the castle and fleet, since which time, the * Mogul has always given the government to him who could best support himself in the command. The governor, thus stripped of his legal support, plundered the town he was intended to protect, and by this means the trade was almost ruined by his oppressions.

About the end of 1758, this was the state of Surat, when the presidency of Bombay, who would no longer endure the oppressions and insults of the † Seiddee, attacked him, destroyed his fleet, took the castle, and settled a treaty with the Nabob.

When the Company had thus got possession, the shaw (or king) was prevailed on to invest them with the title of governor of the castle and admiral of the fleet, with the power annexed to it ‡: after that, he left us to support and maintain this grant in the best manner we could, for

* Generally confirmed after possession, by a grant given, in return for a present.

† The Seiddee of Rojapore was then the governor and admiral.

‡ The killa, or castle, was allowed a revenue of near 20,000l. a year; 25,000l. a year was allotted for the support of the tanka, or fleet: for the killa,* we do not at present collect more than 2,500l. a year; nor, for the tanka, more than 4,000l.

the

the lands appropriated for this purpose had long been in the hands of the different princes of the country, and the greatest part of them at present belong to Mada-Row, the Morattah prince. Thus we are become the arbiters and the protectors of the town and of its commerce.

The lands formerly belonging to the government of the town and castle are now mostly in the hands of the Morattahs, and yield a revenue of about one hundred and twenty thousand pounds a-year. The villages and country from whence it is collected lay round about Surat, and extend as low down along the coast as Damaun.

As this part of the Malabar coast belongs chiefly to the Morattahs, I shall here give some general description of those people. They consist of several powerful states, are numerous, rich, and possess large and fruitful tracts of country. Since the confusion in the empire, they have spread, and much increased their power and influence. The Decan, or higher country, together with the Morattah possessions in Indostan, Guzerat, and the Conkon, with the several chouts and tributes they demand of the states to the northward and southward of them, are estimated all together at seventeen crores, or twenty millions four hundred thousand pounds, a revenue almost incredible

credible. The Nizam, a Moorish prince, is the present Suba of the Decan : a great part of his dominions is contained in this higher country* ; his revenue is included in the above twenty millions. Jenojee Boun-cello is one of the great Morattah chiefs ; his capital is at † Nagpore ; he borders on the back of the Bengal provinces ; he has about fifty thousand horsemen, that he can assemble under his command. Several other considerable Morattah or Gentoo states are spread about, but laying wide of our connections, we do not know much of them ; some of them extend beyond Delhi ; the great chief amongst them, by far the most powerful, and whom we are most connected with, is Mada-Row ; his dominions reach from Guzarat to Goa ; and inland he has, not only the whole of the Conkon, or low country, but a considerable part of the Decan also ; the entire revenue belonging to this Morattah state, exclusive of the chouts or tributes from states not under his government, is allowed to be full six millions and a half. Mada-Row is a usurper, and has two com-

* The Decan extend from Narmada in the north, to Kama-Sevarah in the south, and yields about twelve crores, or fourteen millions of that great sum.

† Nagpore lies about two hundred miles N. E. of Poonah.

petitors,

petitors, by whom he is kept in a state of anxiety, though they are both confined. The first is Ram Rajah, who is the rightful heir and descendant of that Rajah of the Decan, who was appointed to this government by Aurenzeb. He was seized and imprisoned by Nana, Madah-Row's father, and now remains under bonds at a fort near Settarah. Jonojee Bouncello, whom I have mentioned before, is the next heir of Ram Rajah, and ready to put in his claim upon the other's death. The other rival to Madah-Row is his own uncle, Ragoboy, whom he keeps prisoner. Madah-Row is likewise obliged, against his will, to confine Sudaboy, his father's first minister and relation, to satisfy his present ministers, who helped him to dispossess his uncle, and are jealous of Sudaboy's influence and abilities.——I have been more particular in describing the insecure state of Madah-Row's authority, to shew of what advantage to his affairs a connection with the company would prove; and I am sure his inclination in this respect, corresponds with his interest. Nor is this alliance less profitable to the company. The situation and power of Madah-Row being such as enables him to be our most valuable friend, or our most dangerous enemy. In short, the mutual interest of both leads us to each other.

In

In these violent governments, men are so strongly impelled by ambition and fear, that they are easily hurried into rebellion, even when the power of the prince is established, by the justest title to the throne. I think, from what I have here pointed out, it is evident jealousies and animosities might be soon fomented amongst them, should it be found at any time necessary.

Madah-Row, being a bramin, styles himself only Peshwah or minister, and issues out orders, either from his own authority, or as acting under Ram Rajah, or under the Mogul, as best suits his purposes.—The Morattah country immediately under Madah-Row, the smaller Morattah states, whose princes are tributary to him, and who are obliged to bring a force into the field to join him, whenever he requires them—as I before observed, reach from Guzarat almost to Goa; Gheriah is the southern boundary along the coast, as Hoamsó Coat is the inland boundary over to the Carnatic; the Nizam lays on the east side of his dominions, and to the E. from Brampour, large tracts of waste uncultivated lands.—To the northward his dominions extend inland to Chimal in the northern part of Guzarat. Madah-Row, when joined by all his forces, can assemble two

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hundred thousand horse.—The lands are either under the governors of certain districts and forts, acting immediately under Madah-Row, or under princes who pay him a yearly tribute, and supply him with the troops they are engaged to furnish, whenever he calls upon them. The commanding officers supply their own troops; each body carries with it a buzar (or market) to supply their own quota.—These buzars are often plundered by their own troops, which the officers are obliged to wink at, as they hardly ever pay them for more than half the year. The ammunition is carried by elephants and camels in chests, leather bags, and in duffers, a sort of leathern jars; the chief officers always ride on elephants. Poonah, Madah-Row's capital, lays about one hundred miles inland from Choul, and near fifty beyond the * gotts (or mountains) which separate the lower from the upper country; there are no walls round the city, and it has only horsemen for its defence: Madah-Row has constantly thirty thousand horse attendant on his person.—Within these few years he has been endeavouring to form a body of infantry; but as that method of fighting is very contrary to the genius of

* Gotts are properly passes made over mountains.

the people, it will be a long time before they will become of any use.—These vast bodies of horse, from the rapidity with which they move, and the devastation they leave every where behind them, are only formidable in an enemy's country; their attack is generally made either before the harvest is gathered in, or whilst the goods are in the looms; laying waste with fire and sword, they spread terror and desolation wherever they go; but cannot long remain in the same place, as they depend entirely on plunder for support. Such vast armies of horse, like locusts, soon devour every thing round about them. Tho' if a body of regular troops can once force them to a stand, they are presently dispersed or destroyed.

When Aurenzeb subdued this country, and established a Rajah of the Decan, he gave him power also over the southern countries; and it was his business to exact the chout, or fourth part of their revenues, which they agreed to pay, in order to be exempted from their invasions; this chout Madah-Row, as acting for the Rajah of the Decan still demands; and sometimes it is paid him, and sometimes it is disputed.

The harbour of Bombay is formed by the continent and several islands, all of which, except Bombay, belong to Madah-

Row.—The continent abounds with fine rivers, by which means boats can go a long way up the country, which in the wet season are passed in boats by the troops, but in the dry many of them are fordable.

—From this our situation at Bombay, we depend entirely on the Morattahs for support; this produces a friendly intercourse of trade between us, as we are furnished from his dominions with necessaries for our subsistence, and his subjects in return, supplied with many of our European commodities.

The Conkon, or low country, extending from Surat quite down to Goa, is bounded inland by one continued ridge of mountains, at the top of which you come into the Decan or higher country, so called from your not descending again until you get well over to the eastward.—These mountains are no where more than fifty miles from the sea-coast, and in several places within thirty-six miles. This ridge of hills forms an almost impassible barrier to the Conkon from the eastward and southward.

—The Morattahs have roads over the hills; but there is not a single pass, but has been made with much labour and art; and they are so defended by forts, either at the summit or at the foot of the mountains, that whoever possesses them cannot be

be dislodged without great difficulty.—Those roads are so commodious, that not only *horse*, *camels*, and *elephants* pass over, but also *carts*, and this without the least hindrance; by which means the Morattahs can open or shut the communication as they please.—In the latitude of Surat the gotts terminate, and lose themselves in the level ground; this makes an easy passage round them; after which, by going to the southward, and crossing part of the Decan, you reach the Carnatic.

The Morattahs have a revenue from the Conkon of upwards of eight hundred thousand pounds a-year.—The island of Basseen yields a revenue to Mada-Row of fifty thousand pounds—Salsset brings in near sixty thousand pounds a-year; Caranjar, a small island in the harbour of Bombay, pays eight thousand yearly; Colaba, a little to the southward of the harbour, eighty-five thousand a-year; Rajapore, lying about sixty miles to the southward of Bombay, yields the seiddee for his small tract, and two or three forts and an island, thirty-six thousand pounds; and the adjacent country surrounding the seiddee, and extending to the gotts, brings to the Morattahs ninety thousand pounds yearly.—All this revenue here enumerated, is contained in an extent of country along the sea coast,

coast, not exceeding eighty or ninety miles, and about forty over.

Our marine force on this side of India, is superior to all the rest put together.—The military establishment, to judge from the officers, is designed to be put upon the same footing with the other precedencies; but they are complete only in officers, having but few effective men amongst the European battalions; and though they are increasing their seipoys, they have not yet near a sufficient number of battalions of black infantry, to effect any thing upon the continent, or to make so large, so expensive an arrangement of high military officers necessary.—About four or five years back, the Company had only one major, who commanded the whole military force on that side; the engineer, who was also the head artillery officer, was a brevet-major—all the rest were captains.—There is now a general, six colonels and lieutenant-colonels, and three majors, besides a brevet-major to the infantry; the artillery has a lieutenant-colonel and two majors to it—short as the battalions are of their proper number of men, not having more than a third to each company; yet the expence for the military, for the naval, and for the servants of the civil departments of Bombay, and its several subordinates, fall very little

little short of two hundred thousand pounds a-year, without reckoning any charges for the fortifications, or any extraordinary expences that may arise.—Whereas the whole of the revenue arising out of the island farms, the duties and imposts of Bombay, and all its dependencies, does not amount to half that sum a-year.

The gentlemen at Bombay depend entirely on remittances from the other settlements, or Europe, to discharge the annual balance against them, and which must at all events be paid, or you risk the disbanding, or the mutiny of your troops.—Besides this, large sums are expended for fortifications, which have been enlarged, contracted, and enlarged again, and varied and transposed into different forms, for these many years past, and will not be, probably, completed for some years to come.

All this large expence, together with the annual deficiency for the maintenance of the settlement, must be paid for by drains from Bengal, or from the profits of the trade of the Malabar coast; the whole of which is very inadequate to that purpose, because the trade here, for want of money to make the purchases, is at so low an ebb, that the produce of this coast is absolutely carried off by other nations; and instead of having
seven

seven or eight cargoes from hence, three or four ships at most are sent home yearly.

The first treaty made with the Morattahs was in governor Law's time, and that treaty still subsists. The dread of their stopping our subsistence, makes us more subservient to them than is consistent either with our honour or our interest, and which ought to be inseparable.

We might with more ease, and as much propriety, assume influence on this coast, as on the other side. This the superiority of our marine would greatly assist us in obtaining; and many parts of the coast, especially to the southward, are in the possession of small independent powers, who are constantly at variance with each other, and in such a state of anarchy and weakness, as would make them easily subdued, and then formed into what system should be thought wisest to establish.

Madah-Row has many enemies; and he would wish, for various reasons, to live in friendship with us.—A few years ago Ragoboy, his uncle, applied to us for assistance against the Nizam, who had attacked Poonah, and destroyed a part of it; he stipulated to deliver over to us Salset, if we would only send five or six hundred men to his assistance, and promised to put us in

possession of the island, as soon as our troops were landed on the continent.—After repeated solicitations, our governor at last gave him assurance of immediate assistance.—However, an irresolution and delay peculiar to that settlement kept back our troops, by which means we lost our claim; and the Nizam was no sooner informed of our intentions to assist the Morattahs, than he hastened to make peace with them, and returned home.

We have a force capable of molesting the Morattahs very much; the sea-coast we can command, and the divisions between Madah-Row and Hyder might easily be kept up. They are jealous of each other, rivals for power, and of different religions. Yet an inattention to our interest, has made us neglect to improve an intercourse with Madah-Row, and has subjected us to many indignities from his officers.

If that prince had been properly solicited, and every favourable opportunity laid hold of, I doubt not but we might, before this time, have been in the possession of the lands about Surat, which were appropriated by the Mogul for the support of the castle and fleet; we might likewise have been masters of the island of Salsset, and such other little spots about the harbour of Bombay, as we should find convenient,

I

without

without destroying the friendly intercourse between us.

Gheriah is Madah-Row's boundary to the southward; from thence down to Goa the coast belongs to the Malwans, and to the * Little Bouncello.—The Malwans join Gheriah to the southward; they are governed by a Rannie or Queen, named Jeezaboy. She is the † widow of Sambojee, a descendant of one of the Rajahs sent down by Aurenzab to govern this country. I mention this so particularly, because a few years past we had a war with this queen, and in 1766 possessed ourselves of her ‡ fort and country up to the gotts; her revenue is about forty thousand pounds a year, and her possessions reach one hundred miles, or upwards, beyond the mountains, but the whole extent is very narrow.

She agreed to ransom the fort and country about the coast for upwards of ninety thousand pounds, of this we have received near one half; we have relinquished the place ever since 1767, but have not received any of

* So called to distinguish him from Jonojee Bouncello.

† On which account Madah-Row treats her with such respect, as never to be seated in her presence, without her leave; but whenever she dies, as she has only an adopted son, Madah-Row will doubtless take the country under his care.

‡ Called Sinderdroog.

the remaining part.—The Rannie's capital is called Collipore, and lays about fifty miles beyond the gotts; within five or six miles of her capital, she has a fort called Purnella, where her treasures are deposited.—These Malwans who inhabit the sea-side, have always lived by plundering the coast, and seizing the small vessels passing up and down.

From the Malwans down to Goa the coast belongs to the Little Bouncello; his capital is Warree, which is well fortified; it lays about thirty miles inland, and about ten or fifteen miles on this side the gotts; at the foot of them he has a strong fort, and along the coast he has another, called Raree, not more than twenty or twenty-five miles from Sinderdroog; this fort we took at the same time we took Sinderdroog, and the Bouncello agreed to ransom it for about twenty-five thousand pounds. On the delivery near half was paid, the remainder is still in arrears. His country reaches some miles beyond the gotts, and yields him a revenue of about fifty thousand pounds a-year.—Goa is in the possession of the Portugueze, as was most part of the Sounda province (laying at the back of their settlement, and to the southward). The Rajah of Sounda has been for some time, and is at present, a prisoner at Goa, but the Portugueze are stripped of the coun-

try ; of the northern part by Madah-Row, and the southern by Hyder.

* The Bednure kingdom joins to the Sounda province from the southward, and its capital is, from its situation, difficult to be attacked ; the country, on account of its fertility, is an acquisition to Hyder of the greatest consequence ; it abounds with grain, produces great quantities of pepper, beetelnut, and sandal, with some cardamoms, esteemed, all of them, most excellent in their kind ; it affords likewise very fine timber for masts and shipping on the southern part, near the port of Mangalore.

The Rajah of this province, who was dispossessed by Hyder, is now in the hands of Madah-Row ; this country yields a revenue of thirteen or fourteen hundred thousand pounds.—When Hyder took it, he appointed Yencopoy, a Gentoo of wealth and rank, to the post of Duan, or collector of the revenues ; and being greatly reduced by his expensive wars, he has lately stripped him of some of the † riches he acquired in his former master's time.—Mangalore,

* A great many rivers lay along the Malabar Coast, many of them will admit of vessels of considerable burthen, and some of them are navigable for small ones to within a few miles of the gotts, out of which mountains most of these rivers arise.

† Borrowing of him, a little while ago, 18 lacks of pagodas, or 720,000 l.

the

the most considerable port Hyder possesses along the coast, lays on the southern boundary of Bednure; it is of the utmost importance to him; for by taking it, you shut him out from his principal communication with the sea.—From Mangalore the greatest part of the produce of the Bednure country is exported, and Hyder has made a convenient road between this port and Siringapatnam, the capital of the Misour country, where he chiefly resides.

From Mangalore down to Panani lays that tract of country, once known by the name of the Kingdom of Colastria, and which contained the five provinces of *Neleasaram*, *Cheroka*, *Cotiote*, *Cartenad*, and *Samorine*. These were at that time united under one king, who deputed governors to preside over the different parts of his dominions.—The Samorines possess the largest of these provinces, and *they* first revolted. This was many years back; since that time the provinces have been governed by separate princes; the prince of *Cheroka* is the rightful heir of this disjointed kingdom; and the province of *Cheroka*, the only one that remained to his family on the separation. But even this has lately been conquered from him by Ally Rajah, who resides in the N. W. part of the province, called *Randaterra*; the island of
Der-

Dermapatam we possess; and the Cheroka prince, now depending on us for protection and support, resides in the Brass Pagoda adjoining to Tellicherry.—Neleasaram, the northermost of these five provinces, and adjoining to Bednure, is governed by a prince who is tributary to Hyder. The Cheroka province, which belongs to Ally Rajah, who is a Moor, lays next; he styles himself King of the Lucadivæ Isles, and is a friend and ally of Hyder, under whom he formerly served, and will, in time, no doubt, either for himself, or Hyder, extend his conquests farther to the southward, if we do not interfere. Ally Rajah is rather inveterate against us, for withholding Dermapatam from him.

* The Cotiote province lays next to the Cheroka, on which stands Tellicherry, and adjoining to that lays Cartenad, on the N. W. corner of which province stands † Mahie.—From thence you enter the Samorines dominion, which produces many valuable articles for trade.—This province is governed by a prince, who is independent, acknowledging no superior, and owing no allegiance.

* The Cotiote and Cartenad provinces have each their separate princes.

† A French settlement.

The

The revenues of these provinces cannot be easily ascertained, they have so often changed masters, have so often been plundered, are engaged in such frequent wars, and are so impoverished, that it is impossible to form an exact idea of their worth.

The natives of these southern countries are in a much more ignorant uncivilized state, than the northern ones.—The Cheroka province can raise about twenty thousand ill disciplined soldiers, and the Samorine can bring into the field about ninety thousand, such as they are.—It was to march against the Bednure Rajah and the Samorines, that Hyder, in 1766, quitted his design of attacking the Carnatic. The Bednure, and part of the Sounda countries he conquered, and has kept possession of ever since; the Samorines and other states he beat and plundered; and he assisted Ally Rajah in seizing on the Cheroka province, whilst its unfortunate prince, who had long been in alliance with us, and the Samorines, with whom we traded, and who asked for our assistance, were left to great distress, we calmly looking on all the while.

From Panani, the southernmost boundary of the Samorines dominions, the coast down to Cape Comorine belongs to the king of Tra-

Travencore, who lately conquered a considerable tract about Cochin *, part of which he holds, and receives tribute from the rest. He is bounded by the mountains, inland to the east; to the north-east by Madura, belonging to the Carnatic Nabob, and Coimbrature, a province now in Hyder's possession; and the Samorines join him to the northward.

The pepper country lays from Goa down to Cape Comorine; and that article is reckoned to increase in goodness, as you advance to the northward from Anjengo, which lays in the Travencore country, and is the southermost settlement we have along the coast.

Tellicherry is our principal settlement to the southward; a great deal of pepper, most of the cardamoms, and some sandal are produced in the five provinces round about it. The Company have a resident at Callicut, in the Samorines dominions, chiefly for the purchase of timber.— They have also a resident at † Onore, for the collection of sandal and pepper: as this is in the Bednure country, during our

* A Dutch settlement.

† A little settlement laying within the mouth of a river; ships of 200 or 250 tons can pass the bar at high water, and go into the river; a fortified island, small, but high, and difficult of access, commands the entrance of it.

late wars with Hyder, we were forced to abandon it.

Having shewed how the coast from Mangalore to Parani is governed at present, it is very evident, that these little states, on account of their divisions and their want of discipline, must fall a prey to Hyder, whenever he chuses to invade them again, or to support Ally Rajah against them; unless we protect them.

Since therefore they are not likely to remain long with their present possessors, the point in question seems to be, in my opinion, whether, by protection, and a proper ascendancy over them, we shall lead them to civilization, and teach them, by industry, to obtain the comforts and conveniencies of life, enriching at the same time, both themselves and us? Or, whether Hyder, by conquest, shall force them into slavery, and, by increasing his strength, oblige us to forsake our settlements?—For it is at the back of these five provinces the Misour country lays, which Hyder Ally usurped from its lawful prince, who is a Gentoo, as were all the natives, until Hyder brought Moors amongst them.—He has conquered Coimbatore, adjoining to the Misour from the southward, and he has also added the Bednure, and part of the Sounda countries to his dominions. This is all the sea-

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coast

coast he can command, except what is under Ally Rajah, who, I doubt not, might easily be drawn from his alliance. Hyder's capital Seringapatnam lays about one hundred and fifty miles inland from Mangalore, from which side only Hyder is vulnerable.

The Misour country is very extensive; it reaches over to the Carnatic, and is bounded to the southward by Madura, to the westward lay the five provinces which separate it from the Malabar Coast, to the northward it is joined by the Bednure country, and to the N. E. of it lays the Decan, where Hyder also has made some encroachments *.

The king of Travencore may make some small stand against Hyder, should he ever attack him; but without our assistance, he would soon be overpowered.

I have now taken a general view of the Malabar Coast, and Hyder's dominions; and I have endeavoured to shew how the two most powerful states of the peninsula, and the most likely to disturb it, are situated.

If we pursue our real interest, we shall endeavour to form an alliance with the Morattahs, as the most powerful assistants against the attempts of Hyder, who is our

* He now possesses the strong fort of Bengalure.

dangerous enemy; and so he must always continue, because he knows it is our interest to reduce him.

If he should ever get possession of the Carnatic, we should lay at his mercy for all our investments along the Coromandel Coast; and if in such a case he should be able to overpower, as it is most likely he would, the little states that lye round about him, we should equally depend upon his pleasure, for all the produce of the Malabar Coast, from Goa downwards.—The port of Mangalore, and his connection with Ally Rajah, afford him an opportunity of calling in a body of French troops, and of easily conveying them into the Mifour country, and he has it in his power to reward them.

In order to prevent this misfortune, it would be right policy to re-establish the lawful Rajahs of Bednure and Sounda: this would be an act of great justice, as well as prudence, and might be the means of obtaining the port of Mangalore; and securing the trade of the province.—It would besides be a very severe blow to Hyder, and shut him out from all intercourse with the sea-coast.

His repeated insolent behaviour to us, ought to rouse us from our lethargy, for it

is by vigor only that we can assure quiet to the Carnatic.

I think it evident from what I have said, that the Company ought to turn their eyes to the Malabar Coast, and endeavour to obtain more territory on that side, not only for the maintainance of their settlements, and the increase of their trade in those parts, but likewise for the security of their possessions on the east side of the peninsula, which cannot be firmly established without an intercourse of power between the two coasts.—Not that I mean to recommend extensive conquests, or wide accession of dominion. My aim is confined to a few objects, which might be easily obtained by treaty, and would, upon proper considerations, be given up to us almost as soon as proposed. Such are first the lands formerly allotted for the support of the castle and fleet at Surat, which are our undoubted right, as we are invested with the government of that fort for the Mogul; next the islands of Basseen, Salsset, and Caronjar*. Besides this the bay of Carwar, and the port of Mangalore, together with the entrance of some of the southern rivers.

* Caronjar commands the entrance of Penn River.

It will not be foreign to the present subject, to give a sketch of Hyder's conduct for some years past, that the public may see how necessary it is to have an eye upon his ambition, and to adopt some resolute system to check his growing power, and to withstand his encroachments. Our conduct hitherto has been so timid in this respect, to say no worse, that we gained no honour in the war, and lost much reputation in the peace, which is not only disgraceful, but precarious.

Hyder is bold and ambitious: he is a good soldier, and an able statesman; and was trained up in the European service. About the middle of 1766, it was discovered he was making an alliance with the Nizam, to invade the Carnatic; and was actually advancing for that purpose, when those troubles on the Malabar coast, already mentioned, called him back; being embroiled with the Bednure Rajah, (whose country he had seized,) and with the Samorines and other small states, some of which he took, and some he plundered *.

* Ally Rajah invited him down to plunder the Samorines, &c. tempting him by the prospect of gain. On finding himself disappointed, he threatened Ally Rajah with death, if he did not procure him money.—Ally Rajah, by good fortune, took two boats coming out of the Samorine dominions, loaded with pagodahs, to deposit with some of the Europeans, and by that means saved his head.

This

This was the favourable moment to have attacked Hyder, and we ought to have availed ourselves of it; for if at that time we had bent our views against Mangalore and Seringapatnam, and part of the forces from Madras had been sent round to the Malabar coast, to be joined to those from Bombay, they might, in six days from their landing at Mangalore, have been at Hyder's capital. And, as to the Nizam, the least shadow of a force would have brought him to terms, if Hyder could have been employed elsewhere, by any diversion.—The knowledge of Hyder's character should have taught our governors, that force, and force only, could put a stop to his ambitious pursuits; but, unfortunately, the politics of India at this time were of another cast, and the plan was to temporize, negotiate, and protract.

We continued in this inactive state at Madras until the middle of 1767, when we found Hyder, after quieting every thing round about him, was preparing to join the Nizam, and advance again to the Carnatic. War was then inevitable; and such was the consequence of protracting the evil day, that we thereby enabled the enemy to chuse his own time, and to give us the deeper wound.

In

In the beginning of 1768, a force from Bombay took Mangalore from Hyder; but it was no sooner taken, than it was in effect abandoned; and yet Hyder thought the loss of this place of such consequence, that, upon receiving the intelligence, he immediately marched back from * Bangalore, in order to recover it, though at that very time the Madrafs army was marching to attack that important fort.

The Nizam's troops were soon dispersed by general Smith; but Hyder returned as soon as Mangalore was retaken, and penetrated into the Carnatic.

The true way of attacking Hyder's dominions was to have carried the war to the west side of the peninsula, where the way was open, and we could have marched into the heart of his country, and laid siege to his capital in a few days from Mangalore. Instead of that we chose to attack him from the east, which was impracticable.—This capital error produced fatiguing marches, and very great expences; the general was subjected to the controul of field-deputies, and these deputies, I do not affirm it, but I have been credibly so informed, were also the contractors for the army.—Complaints arose of the want of proper supplies; the general found

* Is a frontier garrison of Hyder's, laying on the confines of the Decan, and near the Carnatic.

him-

himself unable to penetrate into Hyder's country, thro' such tracts of waste and woody lands, and over such deep rivers as he had to pass. During all this time it was almost impossible to bring our enemies to an action, who, with their numerous horse, were spoiling the country; the manufactures were destroyed, and the Carnatic laid waste; while an immense sum, not less than five or six hundred thousand pounds, was drawn from Bengal to defray the charges of this war; so greatly did it exceed the revenues of Madras. And yet Hyder, after doing all this mischief, found himself as far from conquering the Carnatic, as when he first began; his strength greatly exhausted; and the remains of his army brought to such a situation by our general, that he could not retreat without fighting; for the Nizam did nothing*.—Under these difficulties, Hyder, who knew the temper of our gentlemen, whose public as well as private interest depended on the fate of the Carnatic, had the art to work upon their fears, and prevailed upon them to stop the motions of the army, to give him a passport to the walls of Madras; and at last to accede to a treaty very

* After being defeated in one or two battles, he made peace and went home.

inconsistent with our interest, and even our honour ; this treaty was signed the 3d April, 1769.—And tho' the three great presidencies are independent of each other, nevertheless the gentlemen of Madrafs, without ever properly consulting the governor and council of Bombay, whose interests and connections they were but slightly acquainted with, and over whom they have not the least shadow of authority, stipulated for them equally with themselves ; to assist Hyder in case he was attacked, without enquiring into the justice of his quarrel, tho' by such a blind compliance, we were liable to be continually involved in disputes.—We also suffered Hyder to take away from under our protection at Madrafs, the remains of Chanda Saib's family * ; Mahomed Ally's inveterate enemy ; and whom he now has ready to set up as a rival to the present Nabob of the Carnatic, whenever he sees proper. The Carnatic is now beginning to recover itself †, but as likely as ever to be invaded and laid waste by Hyder, whenever he is at leisure, and chuses again to attack it.

* Hyder has lately married his son to one of the family.

† For by the great care of our governor on that coast, the trade of the Carnatic was, about the year 1766, that is, before the war, brought to a more flourishing state than it had been in for many years back.

Hyder had no sooner extricated himself from his danger, by means of the peace he made under the walls of Madrafs, than a quarrel ensued between him and the Morattahs.—Madah-Row having demanded the chout, or fourth part of the revenues *, the Misour and Bednure countries used to pay him, together with the possession of the fortress of Bangalore.

Hyder has been repulsed with loss, in one or two engagements with the Morattahs, who are at present rather an overmatch for him, and will continue so, unless called off by some northern invasions.—Hyder, to prevent the gentlemen of Bombay from forming any alliance with Madah-Row, who had made some overtures for that purpose, sent a vackeel (or envoy) to the presidency, about the end of 1769, to desire some man of rank and understanding might be sent with full powers to settle with him, agreeable to the terms of the Madrafs treaty, and to adjust every thing relative to our commerce with his country, promising to deliver up some prisoners who fell into his hands, on the retaking Mangalore and Onore in May 1768, and who had from that time been in confinement.

* Upwards of 30 lack.

The governor, instead of sending a member of the board, sent only two junior servants, to whom no full powers could be given.—Hyder released the prisoners, but treated the two gentlemen with indignity, making them follow him from place to place, until he reached his capital, and then made them wait several days in the suburbs, before he would see them.

Hyder, about the middle of the year 1770, signed a treaty with the governour of Bombay; induced to it merely by the hopes of preventing us from engaging with the Morattahs; for he still continues much disgusted with us, and thinks the Madraſs treaty not adhered to.—The Morattahs, on the other side, think themselves slighted, and ascribe our alliance with Hyder to fear: so that we are upon the worst terms with both.—And while we are aggrandizing Hyder, who it is impossible can ever cordially unite with us, we are risking the resentment of the Morattahs, who would have been our good allies, if we had properly pursued our own interest.

P A R T III.

Measures to be pursued.

I HAVE given this view of the powers, states, and kingdoms upon the coast of Malabar, to shew how intimately the politics of one coast are connected with the other; and how necessary it is to enlarge our plan upon the western side of the peninsula; and I have endeavoured to point out the mistakes and irregularities that have been committed in our several presidencies, from the false policy of the rulers, in adhering to the old system of government; and from the too great desire of gain in individuals; this I have done, hoping that the parliament may be induced to take this important subject into their consideration before it is too late.

It is on the increase of all the different manufactures and growths of the two * *coasts*, and at Bengal, and on their prices, that all our advantages ultimately depend. These can only be secured by preventing the money from being sent out of the country; by placing commerce on such an equality, that the ballance shall incline only in favour of

* Coromandel and Malabar.

industry;

industry ; and by placing property in a state of safety so secure, that the strong cannot force it from the weak.—No policy can be more useful, than to impress upon the minds of the natives the strongest assurance of freedom and security under our laws.—The trade being increased by these means, will draw after it, of course, an increase of wealth and population.—Our provinces will swarm with inhabitants ; the industrious will flock there for employment, the opulent for shelter, and the whole riches of Indostan will finally center in our dominions.—Some speedy regulations must be enforced, to prevent that sudden, and till lately unheard-of, means of acquiring fortunes : gentlemen thereby imbibe a contempt for trade, the very end for which they are sent out ; luxury and indolence have got too much footing in all the presidencies, and too general a neglect and inattention prevails.—Young men, with scarcely any more knowledge than they brought with them, after a few years residence, are advanced to important posts, where they are obliged, as unforeseen accidents arise, and intricate circumstances present themselves, to form opinions, and manage affairs of the greatest consequence, without judgment or experience to direct them.—These youths are not so blameable as those who send them forth, without establishing regulations for their conduct,

conduct, which should on no account be dispensed with.

It is from this omission that they so soon forget the end for which they engaged ; and that they run into such excesses of extravagance and dissipation, as render the brightest capacities unfit for business, and frequently occasion real loss to their country.

The number of civil servants far exceeds the demand, in all the three presidencies. The free merchants and mariners are increased beyond what can possibly be provided for in the commerce either by sea or land. I do not see how one third part of them can be employed, were they ever so industrious ; but the want of occupation, and the habits of those eastern climates render men unfit for labour. The only alternative remaining for the real interest of the Company is either to colonize, or to reduce the number.

The trade to the different parts of India, carried on by the Company's servants and private merchants, is greatly overdone, I mean here the foreign, as distinguished from the inland trade ; if we except the freight-ships to the gulphs, there is scarcely a voyage set on foot that does not prove a losing one : most of the gentlemen trade beyond what their capitals will bear, and interest is there remarkably high, a proof the medium, by which the trade is carried on, is far short of the necessary demand.

At

At Madras, indeed, the principal trade of late years has been with the Nabob, by lending him money at a high interest on his bond, by which means a very large property has been locked up, which would otherwise have circulated about India for the general benefit of trade.

Harmony ought carefully to be kept up between the gentlemen intrusted with the civil power, and those who command the military: the army ever must be under the controul of the civil power, except as to its manœuvre and arrangements, and in the course of execution: these particulars should be entirely under the direction of the superior military officer; for it is absurd in a civil governor to interfere in every little regulation, and in points it is morally impossible he can ever be properly acquainted with: why he should wish it, I know not, since, by meddling on every such occasion, he adds nothing to his own consequence, but diminishes that of the commander in chief of the troops, and gives general disgust: jealousy prevails too often between these two different departments, and is productive of feuds, that may at some time or other prove fatal to the general interest of the Company.

Most of the eastern princes near us have artful spies in their pay, to inform them of the

the tempers and understandings of those gentlemen who preside over the presidencies and their subordinate settlements. And it has often happened, that resolutions which should have been kept secret, have transpired before they have been carried into execution. Hence it is, the princes offer to insult us, or prudently desist, according to the disposition they discover in us to resent or overlook any improper behaviour.

Though there are extraordinary instances of courage in individuals, yet pusillanimity is the predominant characteristic of the Indian states, and therefore they supply the want of courage by treachery.—Lord Clive soon discovered this, and took advantage of it, by shewing great firmness and resolution on all occasions, tempering them with the strictest justice.

The rulers at home, from whom all the great appointments flow, and under whose direction the general system is to be conducted, have not such thorough information from abroad as their situation requires, wherein their own servants have been too negligent and remiss, they ought long before this time to have given the directors a complete knowledge of the strength, the revenues, and the produce of the several countries in the peninsula; their internal advantages, the forms of government, and the disposition of the natives, their several interests

interests and connections with each other, their different dependencies, the abilities of their princes, the avenues to their countries, whether from the land or sea, where most defensible, and from whence easiest to be attacked.

It might be better upon the whole, as I have before observed, if we could return back to our commercial system; but that is impossible. Ignorance kept us in a state of confinement, ambition knew not then how to act; knowledge led us to the means, and various accidents have placed us in our present situation. That insatiate desire after wealth and power, which possesses every civilized nation, will not allow us to retreat; we must preserve our consequence, or be trampled under foot.

The government of the rich and extensive possessions we have gained, demand abilities greatly superior to those, which might suffice for the management of our commerce, whilst it stood unconnected with the political system, for at present it is on our political conduct that our trade here wholly depends.

If any one will take a review of human nature, and consider how much we are under the influence of our passions, how apt the best of us are to be hurried by them into excesses, how in one situation, the

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same thing may be reconciled to our inward feelings, which, in another situation, would strike us with a conscious meanness to attempt. If he will reflect how difficult it is to resist such large emoluments, which, without seeking, fall in our way, and which, if one man refuses, we know another will take up; and that these evils do not arise so much from our misconduct, as the fashion of the constitution, and the imperfections of a miserable system of government, established in the countries conquest made us masters of, and which no proper care has ever been taken to search into and amend—If any one, I say, will enter into these considerations, he will see at once how necessary, and at the same time how impossible it is to reform any of these flagrant abuses by the feeble authority of the directors, who have no controul over those servants, that they are obliged to intrust with powers almost despotic.—It is the controul of laws over the rulers, that constitutes the sole difference betwixt the state of tyranny and freedom. This shews the absurdity of supervisors; for they were, in fact, invested with much higher power, than any one presidency enjoyed over the country under its jurisdiction;—and what, in the name of God, is there in the title of Supervisor, to exempt a man from temptation,

tion, more than in the title of Governour. I have not the least resentment against any individual; I envy no man his success; long may they prosper, and enjoy their fortunes; but I feel for the Company, for I have long seen them verging towards ruin; and I now see them, in my own opinion, hastening to an end. In such a situation we cannot be too open, nothing should lay hid; I am satisfied the best chance the Company and the nation (for the concern is too great to separate them) have of avoiding the impending blow, is by a fair and open state of their real condition.— With which view, I will endeavour to shew the public my idea of their danger, and the fatal consequence of the crash I am apprehensive of.

The great fund upon which the Company has hitherto depended to reduce their accumulated debts, and answer the great increase of their expences to government and to themselves, was the overflowing of the Bengal revenue; this revenue has been annually decreasing to that degree, that instead of affording any supply to China, the gentlemen abroad have been obliged this last year, to draw upon the Company for part of the investments of Bengal.—This being the case, the Company have nothing at home, but their profits, to pay their debts,

and to defray their expences. We will allow the famine has bore hard upon Bengal the last year, and that another year the settlement will be better off; yet, in the declining state of that country, the revenues are not likely, without a total change of system, to recover their proper state; and should a change take place, the effect will require some time to shew itself.—If therefore (which may soon be the consequence) their debts abroad should increase, and their cargoes, for want of money to purchase, fall short; or if the remittances, by bills, should exceed their abilities to pay, and no collateral security be in the directors hands to induce the Bank to lend, the Company are then undone.

If this was to happen, the gentlemen who have lent their money towards the Company's investments in India, would immediately have recourse to the Company's effects there, for the recovery of their debts; this would prevent our receiving any assistance from that quarter; and the revenues, which have hitherto been the great support of all, would be sunk in anarchy and confusion: no money to advance to the Aurungs, consequently no cargoes; and the troops ill paid, would increase the disorder, by stimulating each other to seek
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new masters, or to join in plundering the country ; nor would their officers be able to restrain them.

Thus would Bengal fall into a most distracted state, and be left to settle itself, in what manner chance should determine. Our own private merchants, who are liable to forfeit their goods, if they bring them round the Cape, could only trade to the Gulphs. Therefore all the goods brought to Europe, would center with the foreign companies.

It is the surplus of this great revenue that has enabled the Company to make the figure they have done of late years. This it is that has made good the investments in India.—This has supplied Madras, Bombay, and China, by which means, as they had no occasion to return much of their capital to India, the amount of their sales at home, has been great part of it applied to answer all the various demands upon them, and to increase their dividend.

This is the state of Bengal. As to Madras, that settlement, I do admit, would support itself, if it remained undisturbed, and also yield a considerable annual gain to Leadenhall-Street ; but this is only to be done in its most flourishing situation.

Bombay,

Bombay, in its present state, is a true picture of poverty and pride; it makes a splendid appearance, with nothing to support it—not all the profits of its trade, joined to its revenues, being equal to the expences: it is a burthen, rather than any real advantage, as it now stands. Therefore, if Bengal fails sending supplies to Bombay, that settlement must be left to scramble for itself.

And as to the trade of China, where we have no credit, if we can send but little money, and few goods, that would soon vanish and be annihilated.—The immediate loss to the government here, would be felt in the deficiencies of the customs and excise, to say nothing of the four hundred thousand pounds a-year, settled at the last agreement.—At the same time that other nations, by bringing home the trade, would draw away our money to supply us with the luxuries of life.

If to this account we add, what would necessarily ensue, the great reduction of ships now annually employed, the different manufactures of this kingdom they require to fit them out, the wages they pay for labour, the seamen they train up, and the different goods produced in this kingdom, which the private adventurers, servants of the Company, leave behind in
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India; the loss to the nation could never be described or conceived, until it was felt; such a loss would be a long time, if ever, before it could be recovered.

Commerce is of that intricate nature, that, like the overflowing of the Nile, we are sensible of its effect, without being able to trace it to its source. We all know that credit and riches are necessary for its support; we also know that it flourishes most, when assisted by industry and œconomy. We perceive it gathering and increasing, but by such imperceptible ways, as are never to be clearly found out; and we know, when once it has changed its course, it is seldom brought back again.

Gentlemen may say that the picture I have drawn is more in imagination than in reality, or at least the evil day is far off: I wish it may be so.—I will allow it may be warded off for a few years, but it will prove fatal from a lingering delay, whereas by timely assistance, I am satisfied they may become more flourishing than ever, at least it is worth attempting.—For who in a decline, however sure of wearing out a length of years, would not run some hazard for the chance of perfect health.

This, however, I am sure of, contests and animosities, raised by jealousy and resentment, have frequently distracted the councils

councils at home and abroad; party has had too great a share in determining points of moment—and political mistakes have, at times, done great injury to different branches of our commerce.—What has been adopted by one set of men, the next has often disapproved; the leaders, under every change, opposed, attacked, and delayed in their pursuits, governing distant states, without the power of either punishment or retrospection, surrounded with difficulties, and frequently wandering in a maze of error; all this, if it continues, will, and must, in a few years, involve our public credit, together with the Company, in one general ruin.

The present state of the East India Company's affairs, calls loudly for reformation; and its complicated extensive views, are an object of great national consequence. If parliament does not take it under consideration, it is irretrievably gone—the fair and honest stock-holder [for I mean to separate him from the jobber in the Alley] will be almost ruined; the bondholders may probably be saved, but government will greatly suffer—the crown revenues from the India Company will be hardly worth collecting, and one great vend for the manufactures of this country will be stopped;—for the trade can never be car-

ried on, but by a company, invested with an exclusive right; nor can the government secure their duties by any other method.

The authority unavoidably invested in the gentlemen who take the lead abroad, calls for great abilities to execute, and the sovereign power to controul.—No part of the executive power should ever be in a situation to over-rule, or counteract with impunity, that power on which it depends; this has sometimes been the case in India.—It is not possible for the directors to apply the remedy; the ablest men this nation can produce, as directors, never can effect it. It is from the wisdom of parliament only the plan must be formed, and the system to be pursued marked out.—It is, in my opinion, an object well worthy their attention; and it can only be carried into execution, and maintained by the immediate authority of the sovereign.

Thus have I endeavoured to point out the advantages that would result to these kingdoms, from a disinterested and well conducted government in India; wherein I have been under a necessity of laying open the errors and misconduct of many persons towards whom I do not bear the least resentment or animosity. I would rather wish to draw a veil over all that is

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past ; for I am convinced, mankind oftener err through false mistaken judgments, than from a want of principle ; therefore retrospects, in general, I abhor.—Remove the evil, all will be well ; the Company will again flourish, and permanency be given to their commerce.

Change the men as often as you please ; call them governours or supervisors, for the difference is only in the name ; yet, if the same maxims of government remain, if the same temptations, with the same impunity, fall in their way, mankind will, upon the whole, be found every where alike : it is circumstances and situation only, that make the apparent difference.

The facts I have here laid down, I know to be true. The opinions and ideas are my own, perhaps erroneous ; but such as they are, they have been formed in my coolest hours of reflection, and will remain fixed and unaltered, till my sentiments are changed by conviction, which I am as ready to receive, as any person can be, who has no interest of his own in view.

I have attempted to shew the principal impediments in the way of the nation's reaping a lasting benefit from the trade to the East Indies. But the regulations, by which the political and military powers shall be separated from the commercial

one, giving to the Company such freedom and independency, as shall secure it from all impediments, will require the maturest consideration.

It must be left to those who are better acquainted with human nature, who know the proper limitations to be given to power, and how to make the various springs and movements, dependent on each other, co-operate together; and who know how to set so complicated a system in motion, and to keep it so.

F I N I S.

E R R A T U M.

Page 47, in the note, *for* Kama-Sevarah *read* Rama-Sevarah.

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P I N I Q

ERRATA
The following are the errors and omissions
found in the original manuscript.